

# Property Taxes



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## Summary:

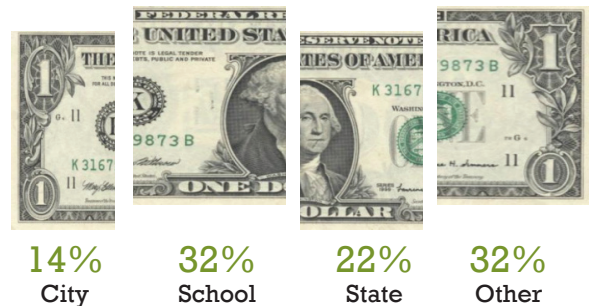
The City exists to deliver our community's priorities in support of a dynamic Redmond where all can live, work, play, and invest. Property taxes have been an important way to provide a community with the ability to pay for large-scale projects and services that we can't afford as individuals. This collective resource helps to pay for roads, fire response, emergency medical services, police, parks, trails, and planning efforts that keep us safe and functioning well as a community. The City's latest citizen survey asked about the quality of life in Redmond and 88% of the people rated it as "very good" or "excellent." This outcome is based on strong input by residents, City leadership's careful planning and continual improvement of government processes, and community support and investment through taxes.

## Strategies:

Every other year, the biennial budget process determines how property taxes will be invested for the following two years. The budget is based on clearly defined priorities that are developed with intensive citizen input and approved

by the City Council. The City receives 14% of total property taxes paid by Redmond residents and businesses with the remaining 86% distributed to other taxing jurisdictions as illustrated below. Specifically, Redmond will receive approximately \$1.41 per \$1,000 of assessed valuation (AV) in 2016 from property owners located within city limits. As a result, the typical Redmond home pays \$915 a year in property taxes to the City. All property owners pay the same rate regardless of the type of property (including commercial and business properties).

## Property Tax Distribution



transportation



+

fire



+

police



+

more



= \$76.25/m\*

\*In 2016, the median home assessment in Redmond is \$649,000. For \$76.25 a month each household receives a portfolio of City services from police, fire, transportation and more.

More details on the biennial budget at [redmond.gov/BP](http://redmond.gov/BP)

# Key Facts About Your Property Tax Bill

## Definition of Property Tax

Property tax is a tax on real property (land, buildings, and improvements) and certain personal property used in a trade or business. A property tax levy is the amount a taxing jurisdiction collects from its property owners to pay for the cost of general operations and debt obligations. A property tax rate is the actual dollar amount assessed. Redmond's rate is \$1.41/\$1,000 of assessed valuation (AV). Find more information on property taxes via the links below.

**\$649,000** (median home price)  $\div$  **1,000** = **649**

**649 x \$1.41 = \$915** annual property tax bill for a median AV Redmond home

**\$915  $\div$  12 = \$76.25** /monthly cost

## Assessed Value vs. Market Value:

Changes in property market values do not result in adjustments in the amount of property tax revenue a City receives. The City Council has no control over how property taxes will be allocated to individual properties. Instead, this is based on AV of the property which is established by the King County Assessor's Office. An increase in a property's market value does not represent a dollar-to-dollar increase in property taxes.

The Assessor determines an individual property's share of the "property tax pie" within a city by dividing an individual property's AV by citywide AV. Then, the property tax bill is submitted to each property owner that includes Redmond's property tax rate and that of six other local taxing jurisdictions.

**The median-priced home in Redmond of \$649,000 is taxed according to King County's annual assessed valuation – not on today's home sale price.**



## How Redmond Stacks Up with Surrounding Cities

Property taxes comprise 21% percent of the City of Redmond's general fund budget. By state law, the City can only increase its regular property tax levy by one percent which does not keep pace with inflation. A Redmond homeowner will pay \$915 per year in City property tax for a median-priced home of \$649,000. This amount covers all City services from fixing potholes to parks, police, fire, and other emergency services. Redmond's property tax rate is in the mid-to low-range when compared to nearby cities.

SeaTac <b>\$3.00</b>	Seattle <b>\$2.77</b>	Tukwila <b>\$2.71</b>
Renton <b>\$2.71</b>	Auburn <b>\$2.05</b>	Newcastle <b>\$1.86</b>
Kent <b>\$1.51</b>	Redmond <b>\$1.41</b>	Kirkland <b>\$1.40</b>
Covington <b>\$1.28</b>	Issaquah <b>\$1.20</b>	Maple Valley <b>\$1.19</b>
Federal Way <b>\$1.18</b>	Mercer Island <b>\$1.17</b>	Bellevue <b>\$0.94</b>

## Need More Information?

To learn more, please visit:

**[redmond.gov/finance](http://redmond.gov/finance)** for more information on City finances and Budgeting by Priorities

**[kingcounty.gov/depts/assessor](http://kingcounty.gov/depts/assessor)** - for information on AV, individual property tax bills, deferrals, and exemptions

**[kingcounty.gov/property/TaxAdvisor](http://kingcounty.gov/property/TaxAdvisor)** - for advice and assistance regarding property taxes including appeals

**[dor.wa.gov](http://dor.wa.gov)** – the Washington State Department of Revenue also provides a variety of property tax information

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